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THIS AMENDMENT:

Passed as amended by \_\_\_\_\_

ORIGINAL

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Failed\_\_\_\_\_  
Not Offered~~RECEIVED~~

2003 JUL 18 P 3:31

Arizona Corporation Commission

IRVIN PROPOSED AMENDMENT #1

DOCKETED

TIME/DATE PREPARED: 7/18/2003 3:15 PM

JUL 18 2003

COMPANY: Southwest Gas Corporation AGENDA ITEM NO. U-4

DOCKETED BY

CAR

DOCKET NO: G-01551A-02-0425

OPEN MEETING DATE: July 22 - 23, 2003

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DELETE from Page 14, Line 13 through Page 15, Line 3 and INSERT:

Southwest Gas contends that the rates currently in effect for customers in the Black Mountain service territory may be changed only after a review in the general rate case. Although it is expected that certain operational efficiencies may be experienced after Southwest acquires the Black Mountain customers, the record indicates that Southwest also expects to experience incremental expenses during the process of assimilating Black Mountain's records and updating and upgrading customer billing records and mapping systems.

There is no evidence in the record which purports to quantify either the potential cost savings or incremental expenses. Accordingly, it would be entirely speculative to conclude that the rates currently in effect for customers in the Black Mountain service territory either are unreasonable or will become unreasonable at any date certain in the future. However, we also believe that it would be imprudent to allow these rates to remain in effect indefinitely and, as such, will order Southwest to file a rate case on or before July 1, 2005. That should allow sufficient time to determine what, if any, operational efficiencies exist and whether the rates need to be adjusted as a result.

DELETE Findings of Fact Nos. 18 through 20 and the last sentence of Finding of Fact No. 24.a

DELETE the reference to Finding of Fact No. 20 in Conclusion of Law No. 10

DELETE from Page 24, Lines 1 through 3 and INSERT:

IT IS FURTHER ORDERED that, upon completion of the transfer of assets and dissolution of Black Mountain Gas Company, Black Mountain Gas Company's Certificate of Convenience and Necessity shall be deemed transferred to Southwest Gas Corporation without further Order of the Commission.

DELETE from Page 24, Lines 6 through 10 and INSERT:

IT IS FURTHER ORDERED that, for any service that Southwest Gas Corporation provides to its customers for which Black Mountain Gas does not have an approved charge, Southwest Gas shall charge its approved charges.

IT IS FURTHER ORDERED that Southwest Gas shall file with the Commission no later than July 1, 2005 a rate case.

DELETE Page 24, Lines 11 through 13.

MAKE ALL CONFORMING CHANGES.